

Request to undertake a direct award, in accordance with CPR 9.5, to enter into a 3-year contract with the option to extend for a further period of up to 24 months with Roche Healthcare Ltd for 24/7 onsite care presence and the provision of care and support at Wharfedale View from the 1<sup>st</sup> October 2021

Date: 22<sup>nd</sup> September 2021

Report of: The Deputy Director of Integrated Commissioning

Report to: The Director of Adults and Health

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## **What is this report about?**

### **Including how it contributes to the city's and council's ambitions**

- The current contractual arrangement for extra care service provision at Wharfedale View, Yeadon Leeds LS19 7NX (DN196208) is due to end on the 30<sup>th</sup> September 2021.
- This report is seeking approval to enter into a new contract using the direct award procedure under Contracts Procedure Rule 9.5 with the existing service provider at Wharfedale View, Roche Healthcare Ltd, for a period of 3-years with the option to extend for a further period of up to 24 months in any combination. The actual annual value of this contract is £20 per annum, giving a total contract value of £60 for the initial three years (£100 for the full five-year period). This value exists because there is no direct purchase of service made through the contract; the 24/7 onsite care is privately paid for by residents and any planned care and support purchased from Roche Healthcare Ltd is done so either through Direct Payments or managed budgets held by Leeds City Council on behalf of individuals who opt to manage their care this way. These arrangements are subject to separate individual contracts that are entered into between the resident and the provider. This report is submitted as a key decision rather than an administrative decision in order to be as open and transparent as possible due to the estimated potential income through managed budgets and/or Direct Payments for planned care and support being up to £1,309,305 for the three year contract and up to £2,182,175 or above across the full five years.
- The work of extra care services helps contribute to the current Leeds Joint Health and Wellbeing Strategy outcomes, namely: people living longer and healthier lives; helping people to live full, active and independent lives; ensuring that people's quality of life is improved by access to quality services; involving people in decisions made about them, and; helping people to live in healthy and sustainable communities. Extra care also contributes to meeting outcomes under the domains of 'Health and Wellbeing' and 'Age-Friendly Leeds', which form part of the Best Council Plan 2020-2025.

## Recommendations

- a) The Director of Adults and Health is recommended to approve the direct award of a 3-year contract with the option to extend for up to a further 24 months in any combination in accordance with CPR 9.5, to Roche Healthcare Ltd for extra care services at Wharfedale View. This contract will commence on 1<sup>st</sup> October 2021 and is for an initial cost of £60 for the three years, £100 when including the full extension period. The potential cost associated to this contract through home care expenditure is up to £1,309,305 or more over the three-year contract (£2,182,175 or more over the full five years) via Direct Payments and/or managed budgets (subject to variation for uplifts as set out in the 'Resource Implications' section).
- b) Officers on behalf of Adults and Health Integrated Commissioning and Procurement and Commercial Services will complete all the actions necessary to ensure this contract is in place for the 1st October 2021.

## Why is the proposal being put forward?

- 1 Wharfedale View is a 45-apartment extra care scheme developed by Housing Leeds. It is located in Yeadon, close to the town centre, and opened in November 2016 offering apartments to older adults generally aged 55 years and over. Ten apartments were designated for shared ownership and the remaining 35 earmarked for social rent and allocated to the Adults and Health Directorate for the nomination of individuals with assessed social care needs. Defining features of extra care include the onsite presence of a care team to offer both planned care as well as respond to alarm calls. This is alongside the fact that people living there have their own private homes with their own front doors.
- 2 As part of the development of the scheme, commissioning officers from the Adults and Health Directorate undertook a procurement exercise to identify a suitable care provider to fulfil the role of the onsite provider. The purpose of the procurement was to identify a suitable provider and set in place the overarching standards and expectations that governed the contract; however, no direct service provision was to be purchased through the contract. Instead, individuals living at Wharfedale View would engage with the care provider directly and have their care and support arranged through either Direct Payments or managed budgets supported by Leeds City Council. People would also be able to directly purchase support from the onsite provider outside of any arranged care packages, including those individuals moving into the ten shared ownership apartments.
- 3 The contract could only provide estimated income through the planned care and support for the 35 apartments where Leeds City Council holds nominations. There was no guarantee of income though as individuals have the freedom to opt for any care provider of their choice, though it was noted that this would generally be the onsite provider and that the onsite provider would be the default provider of choice unless an individual explicitly expressed otherwise. The only guaranteed income at the scheme is through the wellbeing charge that pays for the onsite staffing presence. While the contract covers the standards to which Leeds City Council expect an onsite presence to operate, the actual funding of the wellbeing charge is privately managed through people's own means.
- 4 In light of there being no direct purchase of services by Leeds City Council, commissioning officers undertook a consultation exercise with existing residents living at Wharfedale View to establish their preference for moving forward: to explore options for a new onsite provider or to continue arrangements with the onsite provider Roche Healthcare Ltd. The outcome of this consultation was that the majority of participants (70.6%) were in favour of retaining Roche Healthcare Ltd as their onsite provider, with a response rate of 68.9% of all apartments.
- 5 The engagement questionnaire stipulated that the majority view would be the deciding factor as to how commissioners would proceed. During the engagement commissioners reminded

people that they could change care provider for their planned care and support at any time if they so wished and that they were not bound to Roche Healthcare Ltd. However there could only be one onsite provider in terms of responding to emergency calls and unplanned support, which each apartment is required to pay towards from their own means regardless of whether or not there are any statutory care needs present.

- 6 The current contract for extra care at Wharfedale View expires on the 30<sup>th</sup> September 2021.

### What impact will this proposal have?

**Wards Affected:**

Have ward members been consulted?      Yes      No

- 7 The direct award of a contract sought in this report seeks to maintain the current service with no disruption, which is in line with the majority view obtained from existing service users at Wharfedale View and the other key stakeholder, Housing Leeds who own the building and provide the landlord function. As such ward members have not been consulted directly on the recommendation.
- 8 The grounds for the direct award are based on the nature of the contract and the preferences expressed by stakeholders made up of existing residents and the onsite registered social landlord, Housing Leeds.
- 9 Care and support at Wharfedale View continues to be of a high quality. The Care Quality Commission assessed the service to be 'Good' overall when last inspected on the 27<sup>th</sup> February and the 2<sup>nd</sup> March 2018. The service achieved 'Good' in four of the five domains, these being: Effective; Caring; Responsive, and; Well-led. While rated as 'Requires improvement' on the domain of 'Safe', the points raised were addressed by Roche Healthcare Ltd at the time of the inspection. The points related to improvements needed to generic forms in use for 'as and when required' medication and risk assessments and more personalised processes have been set in place.

### What consultation and engagement has taken place?

- 10 Commissioning officers undertook preparatory measures in case a direct award request was to be made and published that proposal to the list of forthcoming key decisions. This was published on the 29<sup>th</sup> July 2021.
- 11 Discussions were held on the 28<sup>th</sup> July 2021 with colleagues in Housing Leeds, namely the Service Manager, Older People – Extra Care, the Housing Manager and the Team Leader based at Wharfedale View. These discussions covered the plans to undertake a consultation on the best ways forward as well as captured feedback from Housing Leeds as a vested stakeholder. The discussion concluded that Housing Leeds was happy to continue working with Roche Healthcare Ltd and had found the current partnership to be positive and working well to date.
- 12 With input from Procurement and Commercial Services colleagues and Housing Leeds a two-option questionnaire was developed (see Appendix 2). This questionnaire asked whether people wished to 'explore options for a new onsite provider' or 'continue receiving onsite care from Roche'. The reverse provided the opportunity for people to offer further comments and share contact details as they wished. This questionnaire was circulated with the support of Housing Leeds colleagues in the week commencing the 16<sup>th</sup> August. Commissioning officers at the same time also made arrangements to be onsite at Wharfedale View for two drop-in sessions, one to be held 2-3pm on the 24<sup>th</sup> August and the other 11-noon on the 25<sup>th</sup> August.
- 13 In total 33 questionnaires were returned. As three of these questionnaires were completed by partners living in the same apartment, the response rate is noted as 68.9% of the 45

apartments. Of the 33 questionnaires, 29 were viable with the other four being nonviable. This was due to three being blank and the other form having both options ticked. Overall the majority response was to continue receiving onsite care from Roche, with a total percentage of 69.7% (23 out of 33 of all returned questionnaires) favouring this option.

- 14 Other than one individual, the people engaging through the drop-in sessions had completed questionnaires. In total five people took up the opportunity to speak with commissioners. The one person who had not completed a questionnaire concluded that they would choose to continue with Roche Healthcare Ltd but wanted to ensure that their wider views on the service had been shared and noted. This brought total responses up to 34 with a return rate of 68.9% of all apartments and those in favour of retaining Roche Healthcare Ltd representing 70.6% of the responses given.
- 15 Roche Healthcare Ltd shared feedback with commissioners obtained as part of their own quality checking processes. Feedback obtained in July 2020 from residents generally rated Roche Healthcare Ltd 'Very good' to 'Good' across domains such as: friendliness and helpfulness of staff; cleanliness and tidiness; response time to complaints or comments; overall impressions of the service; privacy offered by staff; social activities put on by Roche and Housing Leeds staff, and; quality of meals cooked and prepared by staff. The feedback received from professionals including Housing Leeds, a local charity, occupational therapist and members of the district nurse team was also highly positive of the service.
- 16 The Executive Member for Health, Wellbeing and Adults was first notified on the 22<sup>nd</sup> July 2021 of the potential for a direct award to be made prior to the proposal being published to the list of forthcoming key decisions. A further briefing was presented on the 17<sup>th</sup> September 2021 following the engagement covered in this report.

### **What are the resource implications?**

- 17 The direct contract value with Leeds City Council is £20 per annum, £60 for the three-year contract. This increases to £100 for the full five years of the contract. This nominal figure is set as there is no other direct payment between Leeds City Council and Roche Healthcare Ltd. The total estimated cost to the Council through either Direct Payments or managed budgets is estimated to be £1,309,305 for the three-year contract, equalling £2,182,175 across the full five years. This estimate has been based on the 2020/21 expenditure which came to £436,435. This estimate is based upon the information held at the date of this report, however the figure could change during the lifetime of the contract depending on the number of residents receiving care and their particular needs.
- 18 The above costs are to be met as part of the home care budget, reflecting the nature of the service being delivered.
- 19 The annual costs linked to the contract will increase in line with any agreed adjustments made as part of the Council's commitment to becoming an accredited Living Wage Employer. The funding to meet this probable future pressure will be addressed through the Council's Medium Term Financial Strategy, which gives consideration to committing to a real living wage.
- 20 The 2021/22 hourly rate with Roche Healthcare Ltd for Wharfedale View is at the upper end of the rates paid for extra care and comes in at £17.08 per hour. This rate continues to compare favourably with the home care rate which extra care is benchmarked against, which for 2021/22 is £17.68 per hour.
- 21 There will be some resource implications in terms of monitoring and reviewing the contract to ensure the service continues to meet the necessary outcomes and that it delivers best value. These resources will be provided from within existing hours in the A&H commissioning and contracts teams.

- 22 When considering value for money, the most relevant comparison for extra care is a residential-type service. This is due to both services sharing commonalities around staffing costs, with both extra care schemes and residential homes requiring adequate care staffing to ensure a feasible 24-hour presence. In Leeds in 2020/21 the standard weekly cost of residential care to the Council was £559 per person. The average cost per person per week for comparison at Wharfedale View is calculated to have been £313.17.

### **What are the legal implications?**

- 23 As the value of this decision is over £500,000 this is a key decision and is subject to call in. This report does not contain any exempt or confidential information under the Access to Information Rules. The decision was placed on the List of Forthcoming Key Decisions on 29<sup>th</sup> July 2021. Whilst the notional contract sum for the contract between the council and the provider is £20 per annum (£100 over the lifetime of the contract including the extension period of up to 24 months), the decision is being treated as a Key Decision on the grounds of openness and transparency.
- 24 These comments should be noted by the Director of Adults and Health in making the final decision as to the award of this contract being the best course of action for the Council and that in doing so it represents best value for the Council.

### **What are the key risks and how are they being managed?**

- 25 The existing contract agreement was set in place in line with the Council's CPRs.
- 26 As the service is accessed through direct purchase, either privately or through the assistance of Direct Payments or managed budgets, commissioning officers have ensured the key stakeholders at Wharfedale View have had a chance to share their views and that the proposals laid out here are in line with the majority view of participants in the engagement, with a turnout of 68.9% of all apartments represented.
- 27 If the recommendation is not approved there is a risk that services could cease or be disrupted and service users will no longer be able to access support. This would impact on individuals who have been assessed as requiring care and support under the Care Act 2014.

### **Does this proposal support the council's 3 Key Pillars?**

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 28 The work of extra care services helps contribute to all of the outcomes stated in the current Leeds Joint Health and Wellbeing Strategy. The nature and ethos of the services contribute to: people living longer and healthier lives; helping people to live full, active and independent lives; ensuring that people's quality of life is improved by access to quality services; involving people in decisions made about them, and; helping people to live in healthy and sustainable communities.
- 29 The main domains of the Best City Priorities as stated in the Best Council Plan 2020-2025 that this report contributes towards are 'Health and Wellbeing' and 'Age-Friendly Leeds'. The contract works towards achieving the outcomes: 'Be safe and feel safe'; 'Enjoy happy, healthy and active lives', and; 'Live with dignity and stay independent as long as possible'.

### **Options, timescales and measuring success**

#### **a) What other options were considered?**

- 30 Commissioning officers looked at the options for establishing a new contract and concluded that, due to the way the service was directly purchased by individuals, that customer choice was paramount in informing the best way forward. If service users had expressed a majority view to change the current provider, a temporary contract would have been put in place with Roche Healthcare Ltd to accommodate a wider procurement exercise.

**b) How will success be measured?**

31 Ongoing monitoring and evaluation of the contract will ensure the service continues to meet the necessary outcomes and that it delivers best value. Commissioning and contracts officers within A&H will oversee the monitoring activity.

**c) What is the timetable for implementation?**

32 If the recommendation for a direct award is approved commissioning officers and Procurement and Commercial Services will oversee implementation of the new to commence following the end of the current contract, due to expire on the 30<sup>th</sup> September 2021.

**Appendices**

33 Appendix 1: Equality Impact Assessment

34 Appendix 2: Engagement questionnaire

**Background papers**

35 None